

CARNETS – AN ENTRY ALTERNATIVE FOR TEMPORARY SHIPMENTS

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Companies and individuals importing or exporting professional tools and equipment (including computers, video equipment and cameras), trade show displays, or commercial samples for demonstration purposes can avoid the time and expense of a formal customs entry by obtaining a document called a carnet (pronounced car-nay). Carnets – also known by the more formal term ATA Carnet, (with an acronym that combines the French description “Admission Temporaire” with the English term “Temporary Admission”) are sometimes referred to as merchandise passports because they allow for the repetitive import and export of merchandise for an entire year. The carnet document is submitted to customs authorities at the time of arrival and departure and stamped, just like a passport.

Carnets are often used for musical instruments shipped by bands and orchestras on world tours, works of art on loan to museums and galleries, and boats and motor vehicles for exhibits and races.

Carnet Benefits

1. May be used for unlimited exits from and into the U.S. and foreign countries for a period of one year.
2. Accepted in more than 85 countries and territories. Shipments to and from Taiwan can also be shipped under a document called a TECRO/AIT carnet.
3. Eliminates value-added taxes (VAT) and duties, and replaces the purchase of a temporary import bond for each country that you ship to.
4. Simplifies customs procedures. Carnets allow a temporary exporter to use a single document for all customs transactions, make arrangements in advance, and at a predetermined cost.
5. Facilitates U.S. re-entry by eliminating the need to register goods with U.S. Customs and Border Protection before departure.

Certain countries restrict the use of a carnet to importations for exhibitions and fairs, or limit the validity of the carnet to a period of six months (though extensions are sometimes granted if application is made before expiration). The United States Council for International Business, which is the designated Guaranteeing Association in the U.S., provides a list on their website of ATA Carnet countries and their specific regulations.

<http://www.uscib.org/member-countries-ud-1582/>

Carnets do not cover disposable or consumable merchandise, postal traffic or goods shipped for repair. If you are shipping merchandise for a trade show or exhibition, for example, you cannot ship giveaway items under the carnet.

If the merchandise you are shipping requires a license or permit in the destination country, a carnet will not allow you to circumvent this. Make sure that you have current information about the import requirements for the particular commodity you are shipping.

Airport Procedures – Carnet Merchandise Shipped with Baggage

If you're checking your carnet merchandise with your personal baggage, you must present the

carnet documents and the carnet merchandise to customs officers before you check in your baggage and board your flight for departure, and again when you arrive at your destination. If you're traveling to multiple countries in the EU, you only need to present the carnet documents at the first country of arrival, and then at the final EU country upon departure to the U.S.

One of the companies offering carnet services – Boomerang Carnets – provides a number of airport maps to help travelers locate the customs office that will review and stamp their carnet document. Here is the link:

<http://www.atacarnet.com/airport-maps-carnets>

FAQs

The United States Council for International Business has created a very helpful list of carnet FAQs that cover a wide range of topics such as lost carnets, and the return of carnets after you've completed your journey. We strongly recommend that you read each question and answer so that you have a better understanding of your responsibilities when shipping merchandise under a carnet. Here is the link:

<http://www.uscib.org/ata-carnet-faqs-ud-1675/>

Fees and Processing Time

There are three basic components to the Carnet application process:

1. General List – an itemized list of all goods covered by the carnet, with accurate descriptions, values, and serial or model numbers (whenever applicable and available).
2. Carnet application – this not only states who the carnet holder is, it also includes general shipping information so that the carnet will contain a sufficient number of counterfoil/voucher and transit sheets to cover the countries to which you will be shipping.
3. Security Deposit – each applicant must post security with the U.S. Council for International Business (USCIB) at a rate of 40% of the total value stated on the General List. Cash deposits in the form of a certified check are acceptable, but simplest way to provide the required security is to post a surety bond, which most companies issuing carnets can offer as part of the carnet application process.

Basic processing fees are determined by the value of the shipment. Fees range from \$235 to \$475 and the normal processing time is two working days if the application and security deposit are received by 4:00 Eastern Standard Time. Applications received after 4:00 p.m. will be processed the following business day, or will incur an expedited service fee.

There are a number of companies that offer assistance with carnet preparation, and most surety companies offering marine insurance also act as full service providers of carnets and customs bonds. Two examples are Roanoke Trade and Avalon Risk Management.

To access additional resources related to this topic, refer to the links provided below.

<https://carnet.roanoketrade.com/>

<http://www.avalonrisk.com/carnet.html>

<http://www.atacarnet.com/about-boomerang-carnets>